

Australia's external trade relations are affected by economic measures in the Far Eastern crisis, new relations with Russia, and in the long run, economic aspects of the Churchill-Roosevelt declaration of aims.

General confidence and unprecedented economic activity is reflected in record and rising bank clearings, strong stock and firm real estate markets, record traffic and results in rail, tram and 'bus services and continued construction of essential buildings. Petrol rationing has created sectional difficulties and is stimulating efforts to utilise substitute fuels. Copious rain is needed to assure the outlook for rural industries.

### C O N T E N T S.

PART  
I

Season: July rainfall below normal. Rain needed.

Export Prices and External Conditions: Export prices steady. Shipping losses smaller. Economic measures against Japan. Trade with Russia. Churchill-Roosevelt declaration of aims. Food in Britain. Conditions in U.S.A. Australian Division of Import Procurement.

Currency Relationships: Sterling steady in New York. Exchange measures in Japanese crisis.

Wool: 1941-42 appraisements begin. Wool received in Sydney. Disposal of wool to Russia. Wool in U.S.A.

Wheat: International Conference postponed. North American harvests. High prices in Chicago. Aust. Wheat Pool costs. Local prices unchanged.

Butter: Production below normal. Subsidy to producers of metropolitan milk supply. Pay to suppliers of cream to North Coast factories - July, 1941 and deferred pay, Jan.-July, 1941.

Metals: Tin and silver prices steady in London. World tin statistics.

II

Bank Clearings, Sydney: July and Jan.-July, 1941.

Stock Exchange, Sydney: July, 1941.

Real Estate, N.S.W. Sales and Mortgages - July & Jan.-July, 1941.

Interest Rates - Mortgages: May-July, 1941.  
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Life Assurance, N.S.W.: New policies issued, year 1940-41.

III.

Building Permits Rural & Industrial Towns: Value and No. of Dwellings. June Qr. & year, 1940-41.

Building Permits, N.S.W.: Value and No. of Dwellings. June Qr. & year, 1940-41.

Building Societies: June Qr., and position at June 30, 1941.

Motor Vehicles, N.S.W.: New Vehicle Sales - July, 1941.  
Registered Vehicles at July 31, 1941.  
Petrol rationing and substitute fuels.

Railways, N.S.W.: Passengers, freight and finance. - June and year ended June, 1941.

Trams and Buses: Passengers and finance - June and year ended  
(Sydney & Newcastle) June, 1941.

## PART I. PRIMARY AND EXPORT INDUSTRIES.

SEASON. Except for moderate falls in limited areas very little rain has fallen in N.S.W. in recent weeks. On the South Coast index numbers (percentage of normal) of rainfall were 22 in May, 32 in June and 16 in July, and in coastal dairying districts as a whole rainfall was below average in each month March to July, 1941. July showers kept wheat crops going but until general heavy rains occur the outlook for crops, and pastures (now rather poor in parts) will be uncertain. Index numbers of rainfall in recent months and those of the corresponding months of last year (in parenthesis) compare as follows:-

<u>1941 (1940)</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>
Weighted Av. Ratio (%) of Actual to Normal Rainfall.						
Sheep Districts	78(18)	152(46)	16(204)	58(33)	95(17)	47(21)
Wheat "	87(18)	148(21)	11(227)	61(36)	87(17)	67(33)
Dairying " (Coast)	102(47)	87(104)	88(88)	63(39)	68(58)	40(18)

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS. Export prices are unchanged and about 20 per cent. above the pre-war level. Official statements imply that July shipping losses were the lowest for many months but shipping space available to Australia is unlikely to be increased during 1941-42, and plans to process foodstuffs (eggs, meat, etc.) to permit shipment as general cargo are being effected.

Major changes in international trading may issue from recent war developments. The economic measures taken against Japan by U.S.A., Britain and her Allies (in which Australia joins) have immediate repercussions, as also have the efforts of the Democracies to aid Russia. Possible openings for Australian-Soviet trade are being investigated. The joint statement of aims made by Mr. Churchill and Mr. Roosevelt include a declaration that their Governments

"will endeavour with due respect for their existing obligations, to further the enjoyment by all States, great and small, of access to the trade and raw materials of the world which are needed for their economic prosperity".

Fulfilment of this purpose may mean abandonment of the principles under which intra-Empire trade has developed since the Ottawa Conference, and probably the breaking down of American tariff barriers. Post-depression tendencies have been toward greater national self-sufficiency. The long-range benefits of freer international commercial intercourse are indisputable but the effort to obtain them will involve great problems of economic re-adjustment.

A few days ago Lord Woolton stated "There is no shortage of food in Britain, there are no signs of mal-nutrition and there is every hope of increased supplies of certain foodstuffs, especially for children." Unemployment in Britain is about at the minimum possible.

Industrial stocks have risen strongly in London, but showed some reaction in New York in the last few days.

Strikes have hampered production in U.S.A. but the output of war materials is rising quickly and many new large plants are coming into or approaching production. Another huge appropriation (\$6,000m.) for the lend-lease programme is expected to be made soon. Congress has extended the period of military service for conscripts, reservists etc. from 12 to 30 months. The U.S.A. is reported to have loaned \$4.5m. to Uruguay for expenditure on defence.

The leader of Australia's trade delegation to U.S.A. has arrived in New York. In the Customs Dept. a Division of Import Procurement has been established (in Sydney) to administer lend-lease transactions, import licensing, import priorities, and issue of certificates of essentiality for U.K. goods required for civilian purposes in Australia. Trade relations have been severed with Finland and re-opened with Italian East Africa.

INTERNATIONAL CURRENCY RELATIONSHIPS. The rate of exchange, dollars for sterling, in the open market in New York has remained steady at about \$4.035 to £stg. As part of the economic measures applied to check Japan's southward moves, Britain (and Empire countries) the United States and the Dutch East Indies have

/"frozen".....



## PART I (Continued.)

"frozen" Japanese assets in the respective countries. Chinese funds have also been "frozen" by Britain and U.S.A. so that Japan may not use the occupation of "Nanking China" to circumvent the freezing orders. Counter assets freezing measures have been taken by Japan. In effect the orders make it impossible for Japan to pay for, and therefore, to obtain, supplies from the affected countries other than those purchased before the orders came into operation. In the case of Australia it was necessary only to use the powers already conferred by regulations governing the control of foreign exchange. As Australia required payment before shipment and paid for Japanese goods on entry no funds were lost to Australia by transit trade.

W O O L. Appraisement of 1941-42 wool began in Sydney on August 11, 1941. The quantity of wool received in Sydney from July 1 to Aug. 14, 1941 was 142,980 bales, compared with 147,217 bales in the corresponding period of last season. Absence of much needed rain has enabled shearing to proceed rapidly in early shearing districts. Insufficient wool has yet been examined to afford a guide to quality of the new clip as a whole, but the early shorn wool, though showing effects of adverse growing conditions, proved better than was expected.

It is understood that Australian wool may be sent to Russia by arrangement with the British Government, and that Russian ships may take wool (and other commodities) from Australia. Russia has not been a direct buyer of Australian wool for some years. As large supplies of appraised (1940-41) wool are in store any orders for Russia or America can be supplied without delay.

The current United States wool clip (400m. lb.) is a record but at present rate of consumption (about 545m. lb. a year) a substantial import will be needed. Wool prices are firm in New York. British wartime wool purchases from the Dominions and Colonies already amount to £stg.135m.. The value of the Australian 1939-40 and 1940-41 clips was £A125,713,000.

WHEAT. The Washington International Wheat Conference has been postponed indefinitely. Canada had good rains early in the month and spring wheat is expected to fill out satisfactorily. The crop condition on August 1 was 72 per cent. of normal. Latest estimates of the U.S.A. harvest - winter wheat 685m. bus. and spring wheat 266m. bus. - confirm expectations of a big harvest. For All-India the final estimate was 373.5m. bus. The wheat carry-over in Canada on July 31, 1941 was nearly 450 m. bus..

Prices in Chicago are at the highest level since 1937-38 season. Dec. futures were 115 $\frac{1}{8}$  cents a bus. on Aug. 16 compared with 68 $\frac{1}{2}$  cents a year ago. The high price is due to the general advance in commodity markets in U.S.A., eligibility of growers for advances of approximately a dollar a bus. (tending to limit current selling) and a statement that the Government would approve legislation to "freeze" its stocks of loan wheat for the duration of the war. The Winnipeg market is steady. Prices in London are unchanged excepting that over the past month Canadian wheat has cheapened about 1s. a quarter.

The Australian Wheat Board has revealed that loss of pool wheat due to mice, weevil, etc., has been less than .001d. a bus. Total storage charges on 1939-40 wheat was  $\frac{3}{4}$ d. a bus. and administration costs were less than .02d. a bus.

The local market has been quiet. There have been occasional purchases of wheat for export flour. The Board's prices for local trade are unchanged. For bulk wheat for local flour the price is 3s. 11 $\frac{1}{4}$ d. a bus., ex trucks, Sydney. Flour in local trade in Sydney is still quoted at £12.13s. a ton, including tax.

## PRICES OF WHEAT IN NEW SOUTH WALES.

Shippers' offers to 1938-39. Prices for wheat for local flour from Dec., 1939.

	Seasons ended November.				July		Aug. 16, 1941.
	Av. 1931-35	1937	1939	1940	1940	1941	
<u>Bulk Wheat</u>	Shillings and pence per bushel.						
Ex trucks, Sydney	2 9½	5 3	2 5	3 10½	4 0	3 11¼	3 11¼
Equiv. ex farm at country siding (a)	2 2½	4 8	1 9½	2 11	2 11	2 9½	2 9½

(a) Exclusive of bounty.

Ø Net equivalent of advances made to date.

## PART I (Continued.)

**BUTTER.** All coastal dairying districts need rain urgently. To help farmers supplying milk to Metropolitan markets the Government will pay, for two months, a subsidy of 2d. a gal. on milk sold to the Milk Board.

Butter production has fallen below the usual low winter level, and for the season ended June, 1941 the quantity made (103,680,000 lb.) in N.S.W. factories was less than in any recent season. (For particulars see B.S. 1941/8A, p.5).

For cream supplied in July, 1941 certain North Coast factories are paying farmers 13 $\frac{1}{4}$ d. per lb. of butter made. The price is the same as in July, 1940 and June, 1941. Deferred pay for the half-year ended June, 1941 was fixed at 1d. per lb., compared with 1 $\frac{3}{4}$ d. a lb. in the latter half of 1939-40. The following comparisons reveal a slightly lower rate of payment per lb. over the six months, but this was offset by an increase of about 10 per cent. in production in Jan.-June, 1941 compared with Jan.-June, 1940. Average gross payments for butter of all grades were equal to 12.721d. a lb. in 1941 and 12.727d. a lb. in the six months ended June 1940. This however, is not representative of the position on the South Coast where dairy farmers have suffered from drought.

## PAY TO SUPPLIERS OF CREAM TO CERTAIN NORTH COAST FACTORIES, N.S.W.

	Feb.	Mar.	Apr.	May	June	July	Deferred Pay, Jan.-June.
	pence per lb. of commercial butter made.						
1934 *	6 $\frac{3}{4}$	7	8	9 $\frac{1}{4}$	9 $\frac{1}{4}$	9 $\frac{1}{4}$	1 $\frac{1}{8}$ ø
1937 *	10	11	11 $\frac{1}{4}$	12 $\frac{1}{4}$	12 $\frac{1}{2}$	13 $\frac{1}{2}$	1 ø
1939	12 $\frac{1}{2}$	12 $\frac{1}{2}$	12 $\frac{1}{4}$	12	12 $\frac{1}{2}$	12 $\frac{1}{2}$	1 $\frac{5}{8}$ ø
1940	12 $\frac{5}{8}$	12 $\frac{5}{8}$	12 $\frac{3}{4}$	13	13 $\frac{1}{4}$	13 $\frac{1}{4}$	1.06 ø
1941	12 $\frac{3}{8}$	12 $\frac{1}{4}$	12 $\frac{7}{8}$	13	13 $\frac{1}{4}$	13 $\frac{1}{4}$	1 ø

ø These amounts are additional to those shown for each relevant month.

\* Cartage charges (about  $\frac{3}{8}$ d. a lb.) now paid by factories met by farmers.

**METALS.** There has been no change in the maximum prices of the British Ministry of Supply for copper, lead and spelter. Prices, duty paid, delivered to buyer are (per ton) electrolytic copper, £62; lead, £25; and spelter, £25. 15s.

In the open market fluctuations in the prices of tin and silver have been slight and quotations on Aug. 15 - £258. 7s. 6d. a ton for tin and 1s. 11.4d. an oz. - were very close to the average prices during July (£258. 8s. 9d. a ton and 1s. 11.4d. an oz.) and slightly above averages for the year 1940.

The production quota (130%) fixed for 1941 by the International Tin Committee permits use of full capacity of tin producers, but world visible stocks of tin have not increased and in July, 1941 were about 4,000 tons lighter than in Dec., 1940. The effect of war-time demand is apparent in the following statistical comparisons:-

<u>TIN.</u>	<u>WORLD VIS- IBLE STOCKS.</u>	<u>STRAITS CARRY-OVER</u>	<u>SUPPLIES RECEIVED</u>	<u>DELIVERIES.</u>
July, 1939 (tons)	22,654	2,167	8,322	8,442
" 1940 "	32,530	2,819	14,674	9,562
" 1941 "	35,154	3,430	17,531	15,922



BANK CLEARINGS. Inter-bank clearings in Sydney in July (£98.9m.) and in Jan.-July, 1941 (£651.1m.) were each a record. Australia's war expenditure in July was £15.4m. and the economic impetus of this spending and transactions due to revenue and loan collections are the major factors in the very heavy turnover of money through bank accounts. Higher prices and active trading conditions also contributed to the increase.

The index number of bank clearings for the three months ended July, 1941 was 25 per cent. above the average in May-July, 1926-30 and  $27\frac{1}{2}$  per cent. above the pre-war level in May-July, 1939.

#### INTER-BANK CLEARINGS - SYDNEY.

	July	Amount (a) Jan.-July.	Index Number (b) May-July.
	£m.	£m.	1926-30 = 100.
1929	88.8	617.1	106
1938	70.5	541.6	101
1939	71.2	516.7	98
1940	94.6	623.0	116
1941	98.9	651.1	125

(a) Excluding Treasury bill transactions.

(b) Adjusted to eliminate effects of bank amalgamations and special governmental transactions but not for changes in price levels.

STOCK EXCHANGE. There have been no spectacular price movements on the Sydney Stock Exchange in recent months. Losses in Greece and Crete brought some reaction in April last but in subsequent months the market firmed. In the early weeks of this month prices have shown a decided upward movement following the trend of share prices in London and New York and current average values approximate those ruling before the Greek campaign.

The index number of average value of ordinary company shares rose from 165.6 in June to 167.9 in July and was then  $11\frac{1}{2}$  per cent. above the lowest (June, 1940) and about  $7\frac{1}{2}$  per cent. below the highest (Jan., 1940) monthly average during the war period. From June to July, 1941 there were increases for shares in each group (shown below) other than those in insurance companies. Particulars compare as under:-

#### INDEX OF VALUE OF ORDINARY COMPANY SHARES - SYDNEY STOCK EXCHANGE. Excluding Banks. Par Value = 100.

Average for Month.	Shares in Companies engaged in -					Total (75 Com- panies).	34 Active Shares.
	Manufac- turing & Distribut- ing.	Retail Trade	Public Utili- ties.	Pastoral and Finance	Insur- ance.		
March, 1937 (a)	214	204	181	169	281	190	200
January, 1940 (b)	229	174	152	132	270	182	195
June, 1940 (c)	187	138	129	110	233	151	160
January, 1941	223	171	143	122	255	174	188
May, 1941	214	164	135	117	248	166	180
June, 1941	214	163	134	119	251	166	180
July, 1941	219	165	135	124	249	168	183

(a) Highest point. (b) Highest and (c) lowest point of war period.

REAL ESTATE. In recent months sales of real estate registered have been comparable in value to those of the pre-war period but still remain appreciably below the value in 1937 and 1938. In July, 1941 sales and mortgages were each greater in amount than in any month for a year. In the seven months ended July sales totalled £19.22m. compared with £17.85 m. in Jan.-July, 1940 and £21.5m. in Jan.-July, 1938. The National Security (Capital Issues) Regulations place restrictions on large mortgage transactions and this probably explains the decrease in 1941 shown in the table below.

There have been few sales of large city properties (a type of transaction which the Building Control Regulations tend to discourage) and most recent activity has

/been in.....

been in residential investment property, houses and sites for owner-occupiers and factories and factory sites.

REAL ESTATE TRANSACTIONS - NEW SOUTH WALES. (4000)

	Month of July		Seven months ended July	
	Sales	Mortgages $\phi$	Sales	Mortgages $\phi$
Av. 1925-29 $\#$	(4,619)	(4,042)	(32,333)	(28,294)
1938	2,894	2,285	21,499	15,650
1939	2,919	1,950	19,377	13,402
1940	3,217	1,747	17,853	10,655
1941	3,165	1,470	19,221	9,169

$\phi$  Includes normal renewal of mortgages in 1925-29; renewals were rendered unnecessary in many cases by the Moratorium Act, 1930.  
 $\#$  Monthly and seven-months averages.

INTEREST RATES. Mortgages. Weighted average rates of interest on private first mortgages are steady and from one-quarter to one-half per cent. lower than in the early months of the war. Three-monthly moving averages have been unchanged, on urban mortgages at  $5\frac{1}{2}$  per cent. for ten months, and on rural mortgages at 4.9 per cent. since Feb.-April, 1941. Mortgages to building societies (and banks and Government) are excluded in these calculations. Control of mortgage transactions under Capital Issues Regulations has eliminated a good deal of mortgage business previously arranged for the finance of private business enterprises.

AVERAGE RATES OF INTEREST ON PRIVATE FIRST MORTGAGES, N.S.W.

	Rural First Mortgages,					Urban First Mortgages,				
	1937	1938	1939	1940	1941	1937	1938	1939	1940	1941
	Weighted average Rate of Interest - Per cent. per annum.									
May-July	4.9	5.0	5.1	5.0	4.9	5.3	5.5	5.6	5.6	5.5
Calendar Year	5.0	5.0	5.2	5.1	-	5.3	5.4	5.6	5.6	-

Government Securities. Interest yields on Government securities have fluctuated only slightly during the past month. On bond prices ruling on the Stock Exchange on Aug. 13 the return to investors averaged £.3 3s. 2d. per cent. on issues exceeding ten years in maturity and £.2 18s. 5d. per cent. on shorter issued. Bond interest rates are practically at the lowest level ever recorded and show a fall of about one per cent. p.a. during the war period.

The Loan Council has allocated £20 m. for Commonwealth, State, semi-Governmental and local authorities' works in 1941-42 compared with £25m. in 1940-41. Heavy borrowing for war services is also in prospect and details are yet to be arranged for an internal conversion covering £73m. maturing on Nov. 15, 1941. Recent conversion offers for loans of £13.47 m. and £30.01m. maturing in London brought subscriptions of £8.15m. and £23.4m. and non-converters have been paid off from sinking fund and cash from the Commonwealth Bank and the Bank of England. The last-mentioned operation effects a saving of over £400,000 a year in interest payments. Australian stocks are in favour in New York and this may augur well for conversion of a \$6.73m. Queensland 7 per cent. loan maturing in New York on Oct. 1, 1941.

Movements in interest yields in Sydney on Australian Government loans in recent months are illustrated on following page:-



## PART II. (Continued.)

## COMMONWEALTH GOVERNMENT LOANS - INTEREST YIELDS (INCLUDING REDEMPTION).

Maturing in -	1941 Jan. 29	Mar. 26	May 14	June 11	July 16	Aug. 13
5-10 years:	Interest yield, £. s. d. per cent. per annum $\frac{1}{2}$ .					
Fully taxed $\phi$	3 4 2	3 2 10	3 4 2	3 1 8	3 1 4	3 1 6
Part Taxed *	2 17 7	2 18 9	3 1 10	2 18 9	2 19 1	2 18 5
Over 10 years:						
Part Taxed *	2 19 9	3 0 6	3 4 0	3 2 2	3 2 4	3 3 2

$\frac{1}{2}$  Weighted average calculated on earliest date of maturity.

$\phi$  Interest subject to full Commonwealth but no State taxation.

\* Interest subject to Commonwealth taxation only at 1930 rates but to no State income taxation.

OVERSEA TRADE - AUSTRALIA. Material factors in prospects for overseas trade in 1941-42 include the shipping position, the demand for war materials Australia can supply and facilities for imports offered by the U.S.A. Lend-Lease Act. An Australian delegation is to visit Washington regarding supplies under the provisions of that Act and to discuss the possibility of Australian foodstuffs entering America to make good deficiencies due to export of American foodstuffs to Britain.

Imports in recent months have decreased as a result of import restrictions, possibly reduced imports (with growing self-dependence) of war materials and machinery to make them, and probably owing to limitations of shipping space. In the seven months ended July the value of imports of merchandise was £stg. 63.5m. in 1938 £stg. 57.5 m. in 1939, £stg. 80.8m. in 1940 and £stg. 60.8m. in 1941.

Exports of merchandise in July, 1941 (£stg. 9.2m.) were about equal to the recent average, but in Jan.-July were £stg. 64.8m. this year compared with £stg. 73.7m. in 1940. Indications are that exports of foodstuffs and raw materials are likely to decrease but this may be offset by greatly increased exports of manufactured (mainly war) goods.

OVERSEA TRADE - AUSTRALIA - MERCHANDISE ONLY.  $\phi$ 

	Month of July					Year ended June		
	1937	1938	1939	1940	1941 <sup>+</sup>	1939	1940	1941 <sup>+</sup>
	Value in £sterling million.							
Merchandise								
Exports	8.49	6.84	6.58	9.30	9.21	97.03	118.76	109.11
Imports	8.80	8.60	8.85	12.63	9.59	99.31	115.68	108.78
Commodity Balance	-.31	41.76	-2.27	-3.33	-.38	-2.28	3.08	.33

$\phi$  Particulars of bullion and specie not available for publication.

+ Preliminary figures subject to revision.

LIFE ASSURANCE. Policies assuring the sum of £21.5m. were issued in N.S.W. in the year ended June, 1941, compared with £25.89m. in 1939-40 and the record of £26.06m. in 1937-38. The decrease in new life assurance business in comparison with 1939-40 was greater in respect of ordinary life policies (15.7% in number and 20.1% in amount) than of industrial life policies (5.5% and 7.5% respectively) which latter represent thrift by persons in the lower income groups. Savings in this form remain high notwithstanding heavy additions to those in savings banks and purchases of War Savings Certificates (totalling about £10m. in 1940-41). New life assurance business done in recent years compares as follows:-

/LIFE ASSURANCE.....

## LIFE ASSURANCE - NEW SOUTH WALES.

	Ordinary Life Policies.			Industrial Life Policies.		
	New Policies	Amount Assured	Av. Amount per Policy.	New Policies	Amount Assured	Av. Amount per Policy.
	No.	£000	£	No.	£000	£
Av. 1926-30	27,594	11,314	410	117,892	6,190	52
1937-38	54,933	18,251	332	168,996	7,810	46
1938-39	50,820	17,330	341	158,675	7,522	47
1939-40	50,520	18,180	360	156,787	7,540	48
1940-41 $\phi$	42,578	14,524	341	146,271	6,978	48

 $\phi$  Subject to revision.

/PART III.



BUILDING PERMITS - RURAL AND INDUSTRIAL TOWNS.

(Note:- Government buildings are not included in building permits.)

After decreasing during the war private building in rural and industrial towns revived in June Qr., 1941. Much public building has kept the industry active outside the metropolis. Proposals for houses and flats tend to increase again, but except as regards factories, non-residential building tends to decrease. Dwellings proposed in June Qr., 1941 (782) were 32% and 23% below quarterly averages in 1938 and 1939, respectively.

After decreasing progressively for  $2\frac{1}{2}$  years the value of permits to erect private buildings granted in rural and industrial towns in N.S.W. increased from £712,000 in March Qr. to £960,000 in June Qr., 1941. It was, however, less than in June Qr., of any of the preceding five years. In the year ended June, 1941 the value (£3.48 m.) was lowest of any year since 1934-35 and 31.5 per cent less than in 1937-38 when building was at its highest post-depression level. Taking into account the increased cost of building the physical decrease in building activity is appreciably greater than the appended comparisons of value indicate:-

	<u>March Qr.</u>	<u>June Qr.</u>	<u>Sept. Qr.</u>	<u>Dec. Qr.</u>	<u>Year ended June.</u>
	Value of Building Permits Granted - Rural & Industrial Towns.				£Thousand.
1937	1,010	1,221	1,230	1,134	4,343
1938	1,461	1,256	1,378	1,184	5,081
1939	1,166	1,126	1,067	902	4,854
1940	922	1,015	905	902	3,906
1941	712	960	-	-	3,479

Contracts let for buildings in N.S.W. outside Sydney by Commonwealth and State Governments and allied authorities amounted to £2,501,000 in the year ended June, 1941, compared with £1,536,000 in the preceding financial year. Extensive public building has tended to counterbalance the falling-off in private building. Values outside the metropolis were:-

		<u>1939</u>		<u>1940</u>		<u>1941</u>		
<u>Permits or Contracts</u>		<u>Dec.Qr.</u>	<u>Mar.Qr.</u>	<u>June Qr.</u>	<u>Sept.Qr.</u>	<u>Dec.Qr.</u>	<u>Mar.Qr.</u>	<u>June Qr.</u>
Private Bldgs.	£000	902	922	1015	905	902	712	960
Public "	£000	161	603	605	1136	328	405	632
Total	£000	1,063	1,525	1,620	2,041	1,230	1,117	1,592

The increase in private building permits from March to June Qr., 1941 was shared throughout various localities, but it is notable, as reflecting activities promoted by the war effort, that whereas values in industrial centres (except Broken Hill) remain comparable with pre-war levels, private building activity in other areas shows a significant decrease:-

	<u>1939 (Quarters)</u>				<u>1940 (Quarters)</u>				<u>1941 (Quarters)</u>	
	I	II	III	IV.	I	II	III	IV	I	II
	Value of private building permits - £ thousand.									
Newcastle Dist.	244	222	235	153	206	289	325	251	164	290
Wollongong "	206	84	121	120	110	124	65	59	96	134
Broken Hill	30	36	36	57	21	48	14	23	13	15
6 Towns nr. Sydney	70	87	106	58	65	58	55	100	41	51
Lithgow	6	1	4	3	3	7	12	11	25	20
Other Towns	610	696	565	511	517	489	434	450	373	450

Latterly the value of permits for factory buildings (which exclude Government buildings) has been as high as at any time in recent years and there has been some revival in the building of houses and flats.

/Particulars.....

## PART III (Continued.)

Particulars by quarters illustrating trends are as follow:-

## PRIVATE BUILDING PERMITS - RURAL AND INDUSTRIAL TOWNS, N.S.W.

Quarter ended	Houses	Flats (a)	Hotels, etc.	Shops (b)	Factor-ies(c).	Other Buildings	Total
Value of building permits granted - £ thousand.							
June, 1938	753	19	103	118	64	199	1256
1939	688	25	90	113	33	177	1126
1940	582	29	81	69	39	215	1015
Sept. "	516	13	129	60	27	160	905
Dec. "	463	25	131	44	109	130	902
Mar. 1941	500	22	20	38	38	94	712
June "	595	36	34	53	101	141	960

Includes (a) conversions to flats, (b) shops with dwellings and (c) public garages.

Particulars of value of permits granted for various classes of buildings in the six months ended June in recent years are compared below. Despite the improved figures in June Qr. the total for residential buildings was lower this year than in Jan.-June of any year since 1935. Government housing proposals are not specific, but it appears that this form of building is not to be restricted (except as to luxury dwellings) and may be encouraged. The high cost of building and difficulty in obtaining some building materials may act as deterrents. The values shown for factory buildings take no account of Government munitions, etc. factories erected in country towns. Building control regulations have hastened the downward trend of non-essential or deferrable buildings such as hotels, shops, places of amusement, etc.

## PRIVATE BUILDING PERMITS - RURAL AND INDUSTRIAL TOWNS, N.S.W.

Type of Building.	Half year ended June.						Movement: Jan.-June, 1939 to 1941.
	1936	1937	1938	1939	1940	1941	
	£000	£000	£000	£000	£000	£000	per cent.
Dwelling Houses	1214	1174	1479	1368	1149	1095	(-) 20
Flats - New and Converted	33	54	51	100	45	58	(-) 42
Hotels, Guest-Houses &c.	ø	293	306	221	135	54	(-) 76
Shops & Shops with Dwellings	306	210	217	217	158	91	(-) 58
Factories & Public Garages	45	133	299*	102	109	139	(+) 36
Other Buildings *	306	367	365	284	341	235	(-) 17
Total	1904	2231	2717	2292	1937	1672	(-) 27

ø Included with dwelling houses. \* Includes offices, theatres, churches, hospitals, private schools, etc. \* Includes heavy capital expenditure on iron and steel works at Pt. Kembla and Newcastle. (-) denotes decrease.

DWELLINGS. The number of net additional dwellings proposed in the 129 industrial and rural towns in June Qr., 1941 was 782, compared with 718 in March Qr., 1941, 660 in Dec. Qr., 1940 and 730 in Sept. Qr., 1940. The extent of revival shown is appreciable, but the number was still 32 and 23 per cent. below the quarterly averages in 1938 and 1939, respectively. Details are as follow:-

/DWELLINGS.....



## DWELLINGS INCLUDED IN PRIVATE BUILDING PERMITS - RURAL AND INDUSTRIAL TOWNS.

Period.	Houses		Flats	Convert- ed into Flats.	Hotels, Guest- Houses.	With Shops.	Demoli- tions etc.	Net No. Addit'nl. Dwellings.
	Brick etc.	Wood, Fibro &c.						
Number of Dwelling Units.								
Year 1936-37	831	3,048	145	73	ø	115	193	4,019
1937-38	811	3,390	124	60	34	107	143	4,383
1938-39	729	3,585	212	106	16	89	243	4,494
1939-40	624	2,866	98	131	13	83	176	3,639
1940-41	564	2,248	103	73	18	37	153	2,890
Jan.-June, 1938	394	1,763	61	22	19	60	80	2,239
1939	325	1,700	105	47	10	44	119	2,112
1940	283	1,301	49	73	6	52	78	1,686
1941	321	1,139	67	42	2	22	93	1,500
June Qr., 1940	133	658	39	26	4	17	38	839
Mar. Qr., 1941	146	547	25	31	-	7	38	718
June Qr., "	175	592	42	11	2	15	55	782

ø Included with brick houses.

BUILDING PERMITS, NEW SOUTH WALES.

Permits granted for private buildings in reporting urban and semi-urban areas (embracing about 73 per cent. of the population of N.S.W.) totalled £4.52m. in June Qr., 1941 compared with £3.31 m. in March Qr., 1941 and £4.23m. in June Qr., 1940. The increase in June Qr. apparently marked the end of the declining trend of the past 2½ years.

Comparisons of aggregate value by quarters are as follow:-

PRIVATE BUILDING PERMITS - NEW SOUTH WALES (AS FAR AS RECORDED).

		<u>March Qr.</u>	<u>June Qr.</u>	<u>Sept. Qr.</u>	<u>Dec. Qr.,</u>	<u>Year ended June.</u>
1937	£000	3,079	4,363	4,585	4,630	15,166
1938	"	4,817	5,170	5,739	4,646	19,202
1939	"	4,254	4,647	4,894	3,786	19,286
1940	"	3,511	4,298	4,040	4,756	16,489
1941	"	3,312	4,521			16,629

It will be noted that private building enterprise remains considerably below the level in 1937-38 and 1938-39. There has been need for much public building for defence and war purposes and this has gone far in offsetting the decrease in private building. Particulars of public (Federal, State Governments and allied authorities) buildings are available for 1939-40 and 1940-41. Combining these with those of private building permits the values of proposed buildings in N.S.W. were £19,079,000 in 1939-40 and £20,401,000 in 1940-41:-

<u>1939-40: Quarters ended</u>						<u>1940-41: Quarters ended -</u>			
		<u>Sept.</u>	<u>Dec.</u>	<u>Mar.</u>	<u>June.</u>	<u>Sept.</u>	<u>Dec.</u>	<u>Mar.</u>	<u>June.</u>
ø Private									
Bldgs.	£000	4895	3786	3510	4298	4040	4756	3312	5421
* Public									
Bldgs.	"	655	409	676	850	1454	586	825	907
		<u>5,550</u>	<u>4,195</u>	<u>4,186</u>	<u>5,148</u>	<u>5,494</u>	<u>5,342</u>	<u>4,137</u>	<u>5,428</u>

ø In areas including 73% of population of N.S.W. \* All N.S.W.

/Disclosed.....

## PART III. (Continued.)

Disclosed trends in private building activity are:-

a revival in house and flat building (which suffered only moderate recession in earlier months of the war); continued activity in erection of factory premises; and a pronounced decline in non-residential buildings of other kinds.

Conforming to these tendencies building has fallen away in the City of Sydney and has been well maintained in the Suburbs and semi-urban areas near Sydney. Elsewhere (see preceding note), building has continued at a high level in industrial centres, but in purely rural towns has decreased.

The number of dwelling units comprised in permits granted in March Qr., 1941 was greatest in any quarter of the war period though not quite equal to the quarterly average number in the year 1938-39. Comparative details are appended.

## PRIVATE BUILDING PERMITS GRANTED - NEW SOUTH WALES.

As far as recorded. Excludes Government buildings.

Period.	City of Sydney	Suburbs of Sydney	129 Rural & Industrial Towns	7 Semi- urban shires.	Total of Foregoing.	Net Add'l. Dwellings
	£000	£000	£000	£000	£000	No.
Year, 1929	3,547	10,798	4,526	851	19,722	14,161
" 1938-39	2,798	10,535	4,854	1,099	19,286	16,995
" 1939-40	1,516	9,921	3,907	1,146	16,489	14,228
" 1940-41	1,419	10,587	3,479	1,144	16,629	14,614
June Qr. 1939	429	2,800	1,126	292	4,647	4,130
" " 1940	262	2,717	1,015	305	4,299	3,915
Sept. " "	424	2,420	905	291	4,040	3,342
Dec. " "	622	2,949	902	283	4,756	3,884
Mar. Qr. 1941	156	2,201	712	243	3,312	3,195
June " "	217	3,017	960	327	4,521	4,193

**BUILDING SOCIETIES.** At 30th June, 1941 there were 204 co-operative terminating building societies in New South Wales including ten new societies (6 in the metropolis and 4 in the country) registered in June Qr., 1941. In that quarter loans approved by societies (£506,000) exceeded the amount in any quarter since the last in 1939, but still were very much reduced compared with operations in 1938 and 1939. Shares had been allotted in 196 societies; 191 societies had approved, and 187 societies had made advances to members. Funds in use included £10,394,000 borrowed from financial institutions (of £14,300,000 they had agreed to provide) and £1,447,000 of members' funds. The contingent liability of the Government on 5,207 subsisting indemnities amounted at 30th June, 1941 to £303,000.

The following statement traces the development of co-operative building societies, distinguishing metropolitan and country societies:-

## CO-OPERATIVE TERMINATING BUILDING SOCIETIES - NEW SOUTH WALES.

	Metropolitan			Country			New South Wales.		
	Members	Shares	Advances made.	Members	Shares	Advances made.	Members	Shares	Advances made.
	No.	000	£000 <sup>o</sup>	No.	000	£000 <sup>o</sup>	No.	000	£000 <sup>o</sup>
At Dec. 31, 1938	12,093	156.6	4,218	5,708	60.6	1,308	17,801	217.2	5,526
Jan.-June, 1939*	1,273	20.9	1,386	- 287	.3	513	986	21.2	1,899
July-Dec., "	133	7.3	1,278	333	3.1	446	466	10.4	1,724
Jan.-June, 1940	180	3.5	837	60	1.4	292	240	4.9	1,129
July-Dec., "	444	7.8	622	- 66	2.5	196	378	10.3	819
March Qr. 1941	520	9.6	297	252	3.0	58	772	12.7	355
June " "	125	3.4	292	191	2.3	98	316	5.7	389
At 30th June, 1941	14,768	209.2	8,930	6,191	73.3	2,911	20,959	282.4	11,841

\* Basis changed in June Qr., 1939 to include only societies assured of finance.  
<sup>o</sup> Inclusive of loans discharged.

/Members.....



## PART III. (Continued.)

Members with loans approved (16,963) comprised 80.6% of the total membership and the amount of advances made (£11,841,000) constituted 94.7 per cent. of loans approved. Details covering activities of the societies up to 30th June, 1941 are as follow:-

## CO-OPERATIVE TERMINATING BUILDING SOCIETIES - NEW SOUTH WALES.

Purpose of Loans	Loans Approved		Advances made.	
	Number	Amount	Number	Amount
		£000		£000
To build new houses	9,775	7,482	9,251	6,924
To buy existing houses	6,084	4,577	5,957	4,475
Refinance of mortgages on houses	1,335	889	1,329	884
Adding to or altering houses	329	72	317	69
For other purposes	20	21	20	21
Totals	17,543	13,041	16,874	12,373
Less Loans Discharged	610	532	610	532
Net Totals	16,933	12,509	16,264	11,841

ø From 50 to 60 per cent. comprise newly erected houses.

**MOTOR VEHICLES.** The sharp reduction in petrol rations as from August 1, 1941 renders non-business vehicles hardly worth using and has created difficulties for business users, in addition to which the use of petrol from private stocks (in excess of the ration allowance) has been made subject to official sanction. This has accentuated the decrease in new motor sales and has caused many owners to allow registrations to lapse. It has also directed attention to substitute fuels. More producer gas units are being fitted (over 1,100 had been sold in N.S.W. up to the first week in August) and charcoal production is being expanded but difficulty in obtaining steel is hampering the manufacture of gas units and charcoal kilns. Some business enterprises are setting up small plants to extract petrol from shale for their own use.

Australia secured additional tankers etc. in July which will bring in  $21\frac{1}{2}$  m. gallons of petrol but official statements indicate that an early material increase in ration is unlikely. Consequences to petrol stations, taxi services, etc. are being met by new National Security (Debtors' Relief) Regulations, permission to increase taxi fares and (mainly to benefit re-sellers) another increase of 1d. a gallon in the price of petrol. Steps to absorb displaced garage workers, etc. in war industries are being taken.

New motor sales in July, 1941 averaged only 62 per week compared with 123 a week in July, 1940 and 653 a week in July, 1937. The following table illustrates the trend:-

## AVERAGE NUMBER OF NEW MOTOR VEHICLES REGISTERED PER WEEK, N.S.W. ø

	Cars, Cabs and Omnibuses.						Lorries and Vans.					
	Feb.	Mar.	Apr.	May	June	July	Feb.	Mar.	Apr.	May	June	July
1937	456	526	452	523	497	451	159	138	162	187	218	202
1938	470	505	478	487	383	357	184	177	182	207	155	156
1939	505	435	393	417	376	305	127	131	130	151	141	133
1940	333	268	243	176	115	63	110	106	114	103	70	60
1941	163	167	121	89	40	20	70	71	47	46	40	42

ø Exclusive of trailers and of vehicles in defence services.

Vehicles on the register decreased in number by 3,622 in June and by 5,663 in July, making a total decrease of 24,220 during the war period, including 19,169 cars and 2,533 lorries and vans. The number of registered motor vehicles at various dates was:-

/NUMBER.....

NUMBER OF REGISTERED MOTOR VEHICLES IN NEW SOUTH WALES ø

		1933	1938	1939	1940		1941		
		July.	July.	Aug.	July.	Dec.	May.	June.	July.
Cars	000	148.2	205.2	216.6	206.7	207.4	205.7	202.6	197.5
Lorries & Vans	000	48.2	73.1	77.5	75.0	75.6	75.5	75.3	75.1
All Vehicles	000	216.5	311.5	329.2	314.4	316.4	314.5	310.9	305.0

ø Exclusive of vehicles in defence services; including cycles and trailers.

RAILWAYS. In the year ended June, 1941 operations of the State Railways were more profitable and the working surplus (£6,054,000) was, for the first time for many years more than sufficient (with the Government grant toward losses in working developmental lines) to cover all charges on loan capital. This was due to the increase in goods and passenger traffic promoted by war activities, and curtailment of interstate shipping services and of the use (due to petrol rationing) of road transport vehicles. Many more trains are being run to maintain adequate services.

Passenger journeys in 1940-41 were a record in number and 8.4 per cent. above those in 1939-40. Goods ton mileage increased by 15.5 per cent. The increase in passengers carried is accelerating; in the twelve months ended June and June Qr. increases in comparison with the pre-war year 1938-39 were 4 per cent. and 12.7 per cent. respectively. Other comparisons are as follow:-

NEW SOUTH WALES GOVERNMENT RAILWAYS.

	Month of June			Year ended June.		
	Passenger Journeys	Goods Ton Mileage	Working Surplus ø	Passenger Journeys.	Goods Ton Mileage	Working Surplus ø
	mill.	mill.	£000	mill.	mill.	£000
1937	14.6	150	- 138	177.8	1,810	5,461
1938	15.7	157	+ 237	189.3	1,938	5,726
1939	14.8	158	- 229	186.7	1,842	4,603
1940	15.5	181	- 21	179.1	1,914	5,308
1941	18.1	172	- 675	194.1	2,211	6,054

ø Excess of earnings over working expenses exclusive of interest, etc. charges amounting in 1939-40 to £6,561,000. (-) Denotes deficit on working.

ROAD TRANSPORT SERVICES. Tram and omnibus services in Sydney and Newcastle have also been increased to cope with the greater number of travellers due to industrial expansion, travelling by military, etc. personnel, and decreased use of private motor transport consequent upon petrol rationing. Increases in passengers carried in recent months in comparison with the corresponding months of 1938-39 were 2.1 million in March, 3.7 m. in April, 3.6 m. in May and 2.7m. in June. In the year ended June the number (406.9 m.) was 31.7m. and 28.6m. greater than in 1938-39 and 1939-40 respectively.

In 1940-41 the working surplus (£858,000) was the greatest ever realised, and £158,000 greater than in 1939-40. From it all loan capital charges, current depreciation and arrears of depreciation (the latter £182,000) were met leaving a net profit of £14,566.

/GOVERNMENT.....



GOVERNMENT TRAMWAY AND OMNIBUS SERVICES - SYDNEY AND NEWCASTLE.

	Month of June.				Year ended June.			
	Earn-ings.	Working Expenses	Working Surplus	Passen-gers.	Earn-ings.	Working Expenses	Working Surplus	Passen-gers.
	£000	£000	£000	mill.	£000	£000	£000	mill.
1938	341.7	320.0	21.7	29.6	4,295	3,559	736	371
1939	352.1	313.7	38.4	30.9	4,374	3,707	667	375
1940	357.9	333.2	24.7	29.5	4,468	3,768	700	378
1941	398.6	381.5	17.1	33.6	4,790	3,932	858	407

ø Excess of earnings over working expenses, exclusive of interest, sinking fund, exchange and current depreciation amounting in 1940-41 to £662,000.

